

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



March 18, 1998

COUNTY FISCAL LETTER (CFL) NO. 97/98-53

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS
COUNTY PROBATION OFFICERS

SUBJECT: COUNTY WELFARE DEPARTMENT COUNTY EXPENSE CLAIM FOR
THE JANUARY - MARCH 1998 QUARTER: QUESTIONS AND ANSWERS

The March 1998 Time Study instructions were significant as they provided counties with the ability to begin the fiscal claiming process for the implementation of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The purpose of this letter is to provide counties with a brief overview of the changes that occurred to the County Expense Claim (CEC). Also included is the Fiscal Policy Bureau's (FPB's) responses to county questions regarding the March 1998 instructions as contained in CFL Nos. 97/98-40 dated December 18, 1998, and 97/98-50 dated January 30, 1998.

In sharing the overview and questions/answers, the FPB hopes this information will assist counties in the completion of their March 1998 CEC. In addition to sharing information via this CFL, the FPB will be conducting a Question and Answer session on the March 1998 CEC. All counties are invited to attend. The session will be held:

**April 8, 1998
9:00 a.m. to 3:00 p.m.
722 Capitol Mall, Room 1098
Sacramento, CA**

I. OVERVIEW

AB 1542 eliminated the Aid to Families with Dependent Children (AFDC) and the Greater Avenues for Independence (GAIN) programs and replaced them with the CalWORKs program which provides assistance and services to families with needy children. With the advent of welfare reform, revisions have occurred to the CEC. The changes include, but are not limited to, new functions and programs and expanded salary pools. The basic methodology for claiming expenditures has not changed.

County welfare department (CWD) staff, both caseworker and support staff, continue to time study but now have the ability to time study to any function and any program. Support staff retain the ability to time study or time certify to function or multifunction, consistent with Support Staff Time Reporting Plan requirements. The salary pools for caseworker and support staff have changed from a grouping by function to a grouping of like salaries for distribution to function and program. This change eliminates the requirement for counties to split caseworker and support staff time between functions. The caseworker time study hours will continue to be the catalyst for allocating all appropriate costs to the function and program level.

Following are *highlights* by category of the changes that were made to the CEC as a result of the implementation of CalWORKS:

Casework Costs

- Elimination of the single caseworker salary pool.
- Establishment of the ability to group like salaries into one of the following four salary pools:
 - Social Workers
 - Eligibility Determination Workers
 - Employment Services Workers
 - Fraud Investigators
- New CEC forms developed to spread the casework salary pools to the function level (to be included in the March 1998 quarter claim letter).
- Revised time study summaries that reflect the new functions and programs; the methodology for reporting time remains the same.

Support Staff Costs

- Elimination of the support staff costs, allocable and support staff costs direct-to-program lines.
- Establishment of three support cost pools:
 - General Administrative Costs
 - Direct to Function/Program Costs-Program Administration
 - Direct to Function/Program Costs-Clerical
- Revised time study summaries that reflect the new functions and programs; the methodology for reporting time remains the same.

EDP, Staff Development and Direct Costs

The remainder of the cost pools will be modified to accommodate the March 1998 quarter function and program changes. The DFA 325.1A, EDP Cost Detail Schedule, will be revised to include the addition of the CalWORKs, Other Public Assistance (OPA), Child Care, and Nonwelfare Functions, as well as the deletion of Eligibility, Welfare Fraud, and Employment Services Functions. The DFA 325.1AA, EDP Program Input Schedule, has been revised to reflect functional name changes, the addition of the Nonwelfare Function, and corresponding column instruction changes.

II. QUESTIONS AND ANSWERS

CalWORKs Function

Previously, AFDC and GAIN program activities were included in the Eligibility and Employment Services Functions. These functions have been replaced with the CalWORKs Function. A CalWORKs Function was created to allow an easy display of the costs associated with welfare reform implementation and programs included in the Single Allocation.

The Eligibility, Welfare Fraud, and Employment Services functions have been eliminated and most of the activities previously captured within these functions have been placed in the CalWORKs or OPA functions.

1. Question: Can counties claim start-up costs for CalWORKs?

Answer: Counties are allowed to claim start-up costs for the CalWORKs program to the CalWORKs Function, or to a specific program within the CalWORKs Function.

Costs claimed direct to a program within the CalWORKs Function would be claimed using the appropriate program code and adding the 94 suffix for Start Up/Nonrecurring Costs. Costs claimed to the CalWORKs Function would be claimed in the Allocable Support Operating Costs Section to the Travel, Space, or Other Operating costs line.

Counties are reminded that start-up costs can only be claimed for expenses that are nonrecurring. Please refer to CFL Nos. 97/98-26 dated October 15, 1997, and 97/98-48 dated January 12, 1998, for additional information.

2. Question: Can counties use the CalWORKs Single Allocation for Child Care?

- Answer: Yes, child care is an integral part of a county's supportive services to CalWORKs' recipients and former recipients. However, counties are alerted that the federal 60-month Temporary Assistance for Needy Families (TANF) time limit begins/continues with the expenditure of TANF for assistance, including child care.
3. Question: How can counties claim support activities directly to the Welfare-to-Work (WTW) component and have the costs spread to the program level?
- Answer: Counties were previously informed that support staff are unable to time study to the WTW component and have the cost spread to all WTW programs. These instructions are now revised. Support staff may time study to a WTW cluster and their salary and benefits will be spread to the WTW programs within the cluster based on caseworker time study ratios. These changes will be effective in the March 1998 quarter claim.
4. Question: Now that eligibility has been split into two functions, how do eligibility staff time study to programs within the CalWORKs and OPA Functions?
- Answer: Those program activities previously captured within the Eligibility Function have been moved to one of the newly established functions. If eligibility staff are performing activities for CalWORKs, they must time study to appropriate programs within the CalWORKs Function. For Food Stamps or other OPA programs, the appropriate place to time study is to programs within the OPA Function.
- Eligibility staff, should time study to Program Code 6151, Initial Eligibility Determination for CalWORKs, Food Stamps, and Medi-Cal, when they are trying to determine if a recipient qualifies for all three programs (see Question 6 in this section).
5. Question: What is Program 616, Nonfederal CalWORKs?
- Answer: This is a State-only CalWORKs Program that has been established for providing assistance to nonfederally eligible recipients. An example would be a legal immigrant who is eligible only under the State program. For additional information, please refer to CFL No. 97/98-41, dated December 19, 1997.
6. Question: What is the difference among the following program codes: 6141, CalWORKs Eligibility; 6151, Initial Eligibility for CalWORKs, Food Stamps, and Medi-Cal Programs; and 2151, Medi-Cal Intake?

Answer: During the initial eligibility determination, staff will time study to Program Code 6151, Initial Eligibility Determination for CalWORKs, Food Stamps, and Medi-Cal Programs. This code is to capture the time/activities necessary to determine eligibility that are "common" to all three programs. Counties should use Program Code 6151 when they are uncertain regarding a client's eligibility status, and are trying to determine if a recipient qualifies for CalWORKs, Food Stamps, or Medi-Cal.

Program Code 6141, CalWORKs Eligibility, should be used for ongoing Public Assistance Food Stamps (PAFS) and CalWORKs cases, activities unique to the CalWORKs program and to determine the eligibility of a client for the CalWORKs Program only. This code is not used for the determination of Medi-Cal only or Non-Assistance Food Stamp (NAFS) benefits.

Program Code 2151, Medi-Cal Intake in the OPA Function, is intended to be used for screening and referral of Medi-Cal only applicants, including activities associated with accepting and processing initial Medi-Cal documents and time spent with recipients providing program specific instructions.

For redeterminations of eligibility, staff will time study to the appropriate program. In addition, the description of activities for Program Code 2151, Medi-Cal Intake, is in the OPA Function Program Code Description (PCD); Program Codes 6141, CalWORKs Eligibility, and 6151, Initial Eligibility for CalWORKs, Food Stamps, and Medi-Cal Programs, are in the CalWORKs Function PCDs.

7. Question: Our county will be establishing one-stop centers which will include Public Health Nurses, Mental Health Social Workers, and Workforce Development staff. If all these staff are co-located in the same space, for which the welfare agency is paying the entire lease costs, can the entire space cost be claimed to CalWORKs or will it need to be pro-rated even though the space will be used only for CalWORKs eligible clients?

Answer: If other county staff are co-located at the one-stop centers to provide services only to CalWORKs recipients, the space is used only for CalWORKs - eligible clients, and the CWD is paying the entire lease costs, the space costs may be claimed to the county's CalWORKs allocation under direct charge claiming options. Counties must have Memorandum Of Understandings or other binding agreements in place with the county agencies that are providing these services and must ensure

non-duplicative billings/reimbursements of State/Federal funds for these one-stop costs.

8. Question: Where are the PAFS continuing cases time studied?

Answer: The PAFS continuing cases will be time studied to CalWORKs Eligibility, Program Code 6141, and the PAFS shift will continue to occur through the CEC. For PAFS and NAFS time study instructions please reference the OPA Function PCD (3/98 revised) page 6, that was issued in CFL No. 97/98-50, dated January 30, 1998.

9. Question: What happened to Program Code 4052, GAIN Placement and Development Services?

This program code has been deleted. Activities that were captured within this code have been incorporated into the WTW general activities description and are time studied to the specific WTW program code in which the activities are being performed.

10. Question: Can counties claim start-up costs for Mental Health?

Answer: The Mental Health funds must be used for contracted services and cannot be used for CWD start-up costs. Counties may use their CalWORKs Single Allocation for CWD administrative costs associated with providing the mental health services. Please refer to CFL No. 97/98-42, date January 21, 1998, for further information.

11. Question: The California Work Pays Demonstration Project Pilot ended effective January 1, 1998. What happens to November and December assistance payments that are paid on or after January 1, 1998?

Answer: The cases in this pilot program will now be moved to the normal CalWORKs population by identifying them with aid code 30 or 35 effective January 1, 1998 (reference CFL 97/98-41, dated December 19, 1997 for additional instructions). The pilot cases that received payments for the months prior to January 1998, but paid after December 31, 1997 should be claimed in the month the payments were issued.

12. Question: Where do I get the California Food Assistance Program (CFAP) persons count for lines AW, AF, AH, and AI at the bottom of the DFA 325.1 Expenditure Schedule?

Answer: CFL No. 97/98-42, dated January 21, 1998 instructs counties to obtain CFAP data from the DFA 296, Food Stamp Program Monthly Caseload Movement Statistical Report.

Other Public Assistance Function

The OPA Function includes federal entitlement programs and other State (non-CalWORKs) and county eligibility programs. The programs under this function are not funded under the CalWORKs Single Allocation. The funding for these programs remains the same in that each program has a specific Federal/State/County sharing ratio. County Food Stamps Program costs are countable towards each county's specific CalWORKs Maintenance-of-Effort requirement established under AB 1542.

1. Question: What is Program Code 2190 TANF Probation Eligibility?

Answer: Program Code 2190 is not a new code. Effective with the September 1997 quarter and AB 1542, Comprehensive Youth Service's Act this code was reinstated and is now used for TANF Probation Eligibility. This code includes the following activities – eligibility determinations, screening for prior TANF Probation episodes, approvals, denials, authorization actions, and issuance of notices. Please refer to CFL No. 97/98-40, dated December 18, 1997.

2. Question: Can the activities of Program Code 2190 be performed by CWD eligibility workers or staff of the County Probation Department?

Answer: Only CWD eligibility workers may determine eligibility for TANF Probation (see All County Information Notice No. I-02-98, dated January 5, 1998).

3. Question: Can counties claim start-up costs for TANF Probation?

Answer: Specific guidelines for claiming start-up costs were provided in CFL Nos. 97/98-26 and 97/98-48. If expenditures meet the criteria for claiming costs as start-up, costs should be claimed to the appropriate direct cost code PIN.

Any TANF Probation costs should be claimed in accordance with the Comprehensive Youth Services Act, Chapter 270, Statutes of 1997. This law provides clear and distinct purposes for utilizing TANF Probation funds. As indicated in CFL No. 97/98-12 dated September 2, 1997, there are two direct cost PINs available to capture TANF Probation

expenditures. Counties are reminded that any costs claimed to the Administration direct cost PIN will be subject to the 15 percent limit.

3. Question: How are Food Stamp Issuance costs now claimed under the new OPA Function? Previously, salary and benefit costs were calculated and claimed to a direct cost Program Identifier Number (PIN), a time study code was not used.

Answer: Food Stamp Issuance activities continue to be claimed as a direct cost; instructions will be provided with the March 1998 claim letter. Time Study Code 2110, was created to capture staff activities after Food Stamp Certification, leading to the direct issuance of Food Stamp coupons to the recipient.

Child Care Function

The new CalWORKs child care system, under Assembly Bill (AB) 1542, (Chapter 270, Statutes of 1997), came into effect on January 1, 1998. The new system to deliver child care services is designed to help a CalWORKs family access immediate, short-term child care as the parent starts work or work activities. The new child care system is a three-stage system with the California Department of Social Services (CDSS) responsible for Stage One and the California Department of Education (CDE) responsible for Stages Two and Three. It is the intent of AB 1542 that families experience no break in their child care services due to transitioning between the three stages. Please refer to All-County Letter No. 97-73 dated October 29, 1997 for implementation instructions.

Stage One begins with a family's entry into the CalWORKs Program. Clients may be served in Stage One for a maximum of six months, with a possible extension at county discretion. Stage Two begins after six months, or after a recipient's situation has stabilized, or when the family is transitioning off CalWORKs. Stage Three begins when a funded space is available for current and former CalWORKs recipients or families who are transitioning off aid and the working poor.

1. Question: Will there be more than one contracted services PIN for Stage One Child Care?

Answer: Contracted services PINs will be established for those applicable Stage One programs: Stage One Child Care; Stage One-Transitional Child Care (TCC)-Other; and Cal-Learn Child Care. Counties need to identify costs to the appropriate level of Child Care.

2. Question: What happened to the Supplemental Child Care (SCC) Program Code 2430?
- Answer: Effective January 1, 1998 the child care income disregard and SCC programs were eliminated. Current recipients who formerly utilized the income disregard and SCC should be enrolled in Stage Two if CDE slots are available. If CDE has no slots available in Stage Two, recipients will be enrolled in Stage One.
3. Question: Will Program 241, TCC Services, be available in the March 1998 quarter for use during program closeout?
- Answer: Yes. Program 241 will remain in place only for the March 1998 quarter to capture residual costs, i.e., invoices that the county received after December 31, 1997 for the December 1997 quarter. New recipients as of January 1, 1998 should be enrolled in Stage Two Child Care if CDE slots are available. If CDE has no slots available in Stage Two, new recipients will be enrolled in Stage One TCC-Other and payments claimed through the CEC.
4. Question: What will be the impact on a county's Fiscal Year 1998/99 allocation for Stage One if a county runs out of money?
- Answer: While it is not foreseen that counties will "run out" of child care funding, counties can utilize their CalWORKs Single Allocation for child care programs. Counties should contact their CDSS County Contracts and Financial Analysis Bureau (formerly County Cost Analysis Bureau) analyst with any allocation questions.
5. Question: How will we know if a recipient's time clock is ticking when in Stage One versus Stage Two Child Care?
- Answer: A recipient's time clock begins/continues when the assistance they are receiving is funded with TANF dollars. Stage One Child Care is funded with TANF dollars, therefore, the time clock continues. Stage Two is not funded with TANF dollars and therefore is not subject to the time limits.
- Effective with the March 1998 quarter, Program 900, Stage One TCC - Other has been established to capture costs of providing child care for clients who continue to be served in Stage One due to a lack of available slots in Stages Two or Three. The CDSS anticipates funding Program 900 with non-TANF related dollars.

Nonwelfare Function

The new Nonwelfare Function, identifies all activities and costs for all nonwelfare programs operated by the CWD. Counties will retain individual nonwelfare program information at the county level and report total nonwelfare expenditures. Except for nonwelfare support activities with no casework equivalent hours, the costs will flow through the claim like any other function costs to pull overhead. The support activities without casework equivalents, will still be reported in Extraneous after the application of the indirect cost rate (ICR).

Costs of nonwelfare program activities may be identified either to the Nonwelfare Function or as an Extraneous cost on the CEC. If claimed to the Nonwelfare Function, all associated overhead costs are allocated. If claimed as Extraneous, CWDs must apply an ICR to identify the appropriate share of overhead attributable to the nonwelfare activities.

1. Question: Please clarify the definitions of Nonwelfare, Other County Only Programs (OCOP)/General Relief (GR), and Extraneous?

Answer: Nonwelfare - Costs identified in this section are for activities performed by CWD staff that are specific to a nonwelfare program, as defined by the CWD to allocate associated overhead costs. Examples include Public Guardian and Veteran's Services.

OCOP/GR - Costs identified in this section are for welfare-related activities/services provided to General Relief clients and to individuals who are not eligible for services under other Federal/State funded programs.

Extraneous - Costs identified in this section are for expenditures that cannot be allocated through the CEC process. Also included are CWD expenses incurred in operating public assistance programs which are unallowable for Federal and State reimbursement (e.g., entertainment, fines and penalties), or nonwelfare program activities counties choose to claim as Extraneous instead of to the Nonwelfare Function. CWDs must apply the appropriate ICR to these nonwelfare programs.

2. Question: Do workers performing public guardian activities time study continuously or once a quarter? Where are costs claimed?

Answer: CFL No. 90/91-53, dated January 8, 1991, specifies that CWD staff performing non-welfare activities must time study continuously, whenever possible. Currently, counties have the option to claim their nonwelfare activities to the Nonwelfare Function or as an Extraneous cost

on the CEC. If costs are claimed as Extraneous, counties must apply the appropriate ICR.

Social Services Function

The Social Services Function and program codes basically remain unchanged. The welfare reform changes minimized the impact on the Social Services Function. The only changes have been the addition of Program Code 2230, Emergency Assistance Child Welfare Services Eligibility, and Program Code 3300 In-Home Support Services-County Services Block Grant (IHSS-CSBG), previously identified in the former Eligibility Function. However, no changes have been made to the allowable activities, they remain the same as when these codes were included in the Eligibility and Welfare Fraud Functions.

1. Question: How can counties time study and claim jail match activities effective July 1, 1997 through September 30, 1997 when time study and claiming instructions were received after the September 1997 quarter?

Answer: If counties had a mechanism in place to track these costs back to July 1, 1997, costs can be claimed in the September 1997 quarter by submitting a supplemental claim. We realize information regarding Jail Match was not released until the March 1998 quarter, and that claiming codes were not set up to capture these costs until then, but the SOCAT system will allow counties the ability to go back retroactively and manually input these costs. Counties should utilize the codes established in the March 1998 quarter. (Please reference CFL Nos. 97/98-25 dated September 26, 1997, 97/98-42 dated January 21, 1997, and All County Letter 98-10, dated February 19, 1998)

Electronic Data Processing (EDP)

CWD employees who are assigned to perform EDP activities on a temporary or permanent basis will record time on a continuous basis throughout the quarter. Eligible EDP activities include: analysis, feasibility and system studies, system design, development, programming, implementation, and maintenance. For temporary staff, both the EDP and the nonEDP time must be recorded on a continuous basis in order to capture the total hours worked for the day. CWD staff are required to record their EDP activities as maintenance and operation or developmental.

1. Question: Where will Interim Statewide Automated Welfare System (ISAWS) Help Desk staff now time study?

Answer: Basically, they would time study the same as prior to implementation of CalWORKs. The worker time studies based on the nature of the activities performed. If the activities are programmatic in nature, they should time study to the appropriate program (e.g., CalWORKs Eligibility). If the activities are more technical (hardware and/or software related), they should time study to EDP.

2. Question Can EDP workers time study directly to any program?

Answer: Yes, as long as they are able to identify their time to that program.

3. Question: Some EDP staff work solely on projects or on maintaining a particular system. They time study continuously on the DFA 10. Can staff who work on and/or maintain the systems that benefit the entire department be considered Generic/Administrative support on the DFA 7?

Answer: No. Although these activities benefit the entire department, they are performing EDP activities and should be reported as such. Staff performing the above activities should be recording their time as EDP on the DFA 10 to Generic. Hours are then input to the DFA 325.1A, Generic.

Other:

1. Question: Can support staff time study to functions?

Answer: Yes. They can time study to function, multifunction, or specific programs.

2. Question: Can counties redesign time study forms so they are less confusing to their staff?

Answer: Yes. However, counties must request and receive approval of their locally designed time study forms by the FPB prior to implementation, please refer to CFL No. 91/92-27 dated February 4, 1992.

3. Question: Will we receive enough PCDs for the new functions and new time study codes to distribute to staff or do the counties reproduce them for staff?

Answer: CDSS' intent is to continue sending the prescribed number of PCDs that each county requests. However, due to the volume of late changes to these documents for the March 1998 quarter, the distribution process

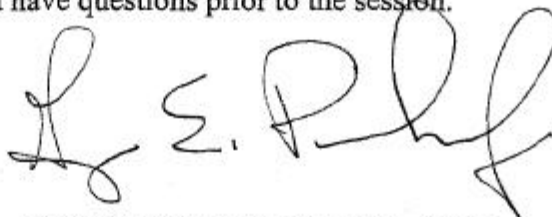
directed both the time study CFL and accompanying PCDs only to CFL addressees. During the week of February 16, the FPB faxed a new order form to counties in order to determine the number of PCDs each county needs. We apologize for the inconvenience and we anticipate sending out the correct number of copies for the June 1998 quarter.

4. Question: Will the FPB be separating Space Countywide Cost Allocation Plan (CCAP) lines on the DFA 325.1? Our County costs are not allocated, they are direct billed.

Answer: No. All direct billed CCAP costs, except EDP, are to be claimed to Generic on the DFA 325.1, in the Purchase of Services Section, line N1, Direct Billed.

CFL No. 97/98-42, dated January 21, 1998, inadvertently contained errors in CCAP claiming instructions. It incorrectly stated that CCAP direct billed costs could be claimed direct to the function. Clarification on claiming CCAP costs will be provided in the March 1998 claim letter.

If you have any questions on CFL Nos. 97/98-40 and 97/98-50, or any questions on the soon-to-be released March 1998 quarter claim letter that you would like addressed at the April 8th, Question and Answer session, please fax your questions to your county fiscal consultant at (916) 657-3431 by April 1, 1998. You may also contact your county fiscal consultant at (916) 657-3440 if you have questions prior to the session.

A handwritten signature in black ink, appearing to read "G. E. Peacher, Jr.", with a stylized, cursive script.

GEORGE E. PEACHER, JR., Chief
Fiscal Systems and Accounting Branch

c: CWDA